

Idaho Dairy Focus

Q2

2022

IDAHO DAIRYMEN'S ASSOCIATION

Protecting Idaho's dairy industry through environmental, legal, and legislative efforts since 1924.





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Federal Dairy Policy Issues of Summer 2022

IDAHO DAIRYMEN'S ASSOCIATION

Charlie Garrison



Summer has arrived in Washington, D.C. and has brought the infamous heat and humidity with it to the Nation’s Capital. It’s also a midterm election year so that means the political rhetoric, from both sides of the aisle, is contributing mightily to the need for relief. The Congress is in session for most of the month of June, then takes a week off for the July 4th holiday and returns to session again until early August. That provides two stretches of time for work on legislation to get done prior to the summer district/state work period that will have lawmakers out of Washington for most of the month of August through Labor Day.

Priorities for the Idaho Dairymen’s Association that are on the table this summer include a Senate version of the Farm Workforce Modernization Act, implementation of the U.S. access to the Canadian dairy market as negotiated in the U.S.-Mexico-Canada Agreement, FDA regulation of the use of standardized dairy terms on product labels and “The Dairy Pride Act,” international trade issues and early talks for a new Farm Bill.

The Farm Workforce Modernization Act (FWMA)

Senator Crapo continues to lead negotiations for a Senate version of the farmworker visa reform bill that passed the U.S. House of Representatives in March of last year with the leadership of Idaho Congressman Mike Simpson. The House bill is not perfect and must be improved in order to gain enough Republican support to get the 60 votes required to overcome a filibuster that will almost certainly be mounted against any bill related to immigration reform.

Senator Crapo’s negotiating partner on FWMA is Senator Michael Bennet (D-CO). Just as in Idaho, the agriculture industry in Colorado is supportive of the talks that will hopefully lead to a Senate version of FWMA that can get 60 votes needed to overcome an expected filibuster.

Dairy Product Labeling

The Dairy Pride Act remains in play in both the U.S. Senate and House of Representatives. Idaho Senator Jim Risch and Representative Mike Simpson have been lead cosponsors and Senator Mike Crapo and Representative Russ Fulcher are cosponsors as well.

Draft guidance from the U.S. Food and Drug Administration (FDA) on regulatory enforcement of the use of standardized dairy terms on product labels is reportedly at the White House for review. There is hope that the dairy industry will finally see some relief from the use of dairy terms by plant-based product manufacturers on retail packages. The question isn’t whether consumers are confused about the source of plant-based beverages, it’s that research shows many believe those drinks to be nutritionally similar to real dairy milk. That simply isn’t the case.



New Farm Bill

The current Farm Bill expires on September 30, 2023. The U.S. Senate and House Agriculture Committees continue to hold hearings examining the current farm economy and the effectiveness of the various programs in the current Farm Bill.

A major challenge to negotiations for a new Farm Bill results from the most recent estimates of the cost of the various provisions of the current bill should they be extended. The estimate for food assistance is that those programs would cost more than \$1 trillion over

the 10-year scoring window that is commonly used. Nutrition assistance typically accounts for between 75% to 80% of farm bill spending. Attempts to cut that funding in the current farm bill delayed passing the law in 2018 until after House Democrats took the majority in the midterm elections that year. Cutting nutrition assistance funding in a new Farm Bill that will require a Democratic President's signature will be very difficult regardless of which party controls the Senate and House of Representatives in 2023.

International Trade

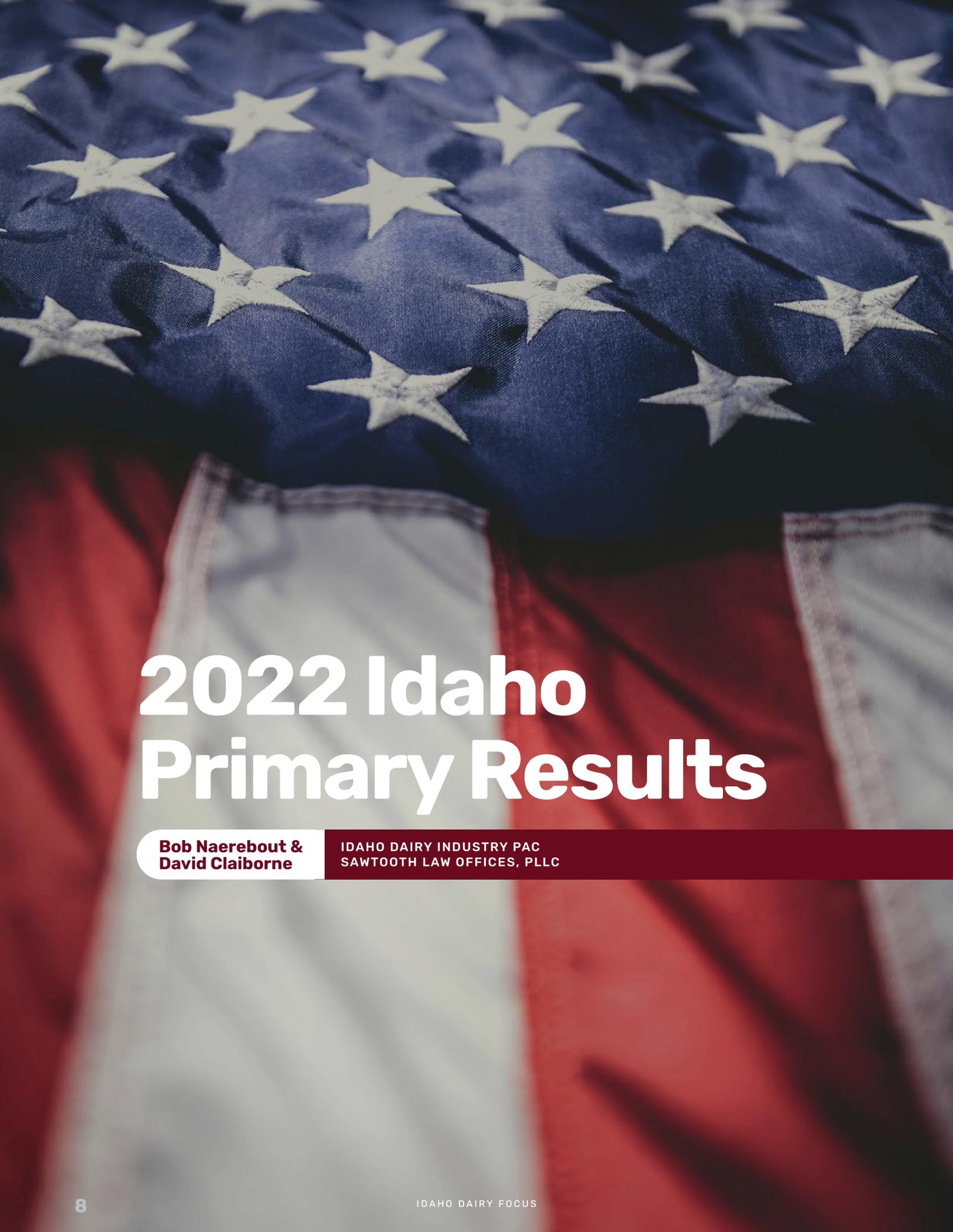
The Idaho congressional delegation continues to exert pressure on the Biden administration to continue working to insist that Canada honor its commitments on U.S. access to the dairy market there that were made in the U.S.-Mexico-Canada Agreement (USMCA). The fact that Canada continues to fall short on allowing real access both denies the Idaho dairy industry the chance to compete on a level playing field in that market and sets bad precedent for future trade agreements the U.S. may want to negotiate.

It appears that the House of Representatives will take up the Ocean Shipping Reform act that is intended to facilitate more shipments of U.S. farm products, including Idaho dairy products, to markets in foreign countries. Backups of ships from Asia waiting to unload containers of products and then load containers of U.S. products to take back are easing to a degree and the congressional delegation has been strong supporters of legislation to help the situation.

The White House has nominated a long-time USDA official to serve as the Chief Agriculture Trade Negotiator in the Office of the U.S. Trade Representative. The nominee is Doug McKalip, who currently serves as Senior Advisor to USDA Secretary Tom Vilsack. He served in a similar role advising Vilsack during his first tour as Secretary during the Obama Administration. McKalip has had leadership roles at the Biotechnology Regulatory Services at the Animal and Plant Health Inspection Service at USDA and has served as Senior Advisor for Agriculture and Rural Affairs at the White House Domestic Policy Council. He has a bachelor's degree in Political Science from the University of Pittsburgh and a Master's Degree in Public Policy from The American University in Washington, D.C.



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2022 Idaho Primary Results

**Bob Naerebout &
David Claiborne**

IDAHO DAIRY INDUSTRY PAC
SAWTOOTH LAW OFFICES, PLLC

This year, because of your support, the dairy industry was more engaged than ever before in the primary. This was done through endorsements, direct contributions to candidates and independent expenditures. Overall, over two-thirds of the candidates we supported were victorious!

Many of the races were exceptionally close. The race between Republicans Judy Boyle and Scott Syme was separated by just 6 votes, with 9,266 total votes cast. Due to redistricting both candidates were incumbents.

We want to update you on how we did in our efforts and preview our crystal ball looking forward to the November general election.

For statewide primary races, 100% of our endorsed candidates WON

- **Governor** — Brad Little — IDI PAC endorsed, financial contribution, independent expenditure (IE)
- **Lieutenant Governor** — Scott Bedke — IDI PAC endorsed, financial contribution, IE
- **Secretary of State** — Phil McGrane — IDI PAC endorsed, financial contribution, IE
- **Superintendent of Public Education** — Debbie Critchfield — IDI PAC endorsed

“For statewide primary races, 100% of our endorsed candidates WON!”

Senate Races We Won

Chuck Winder — Incumbent, IDI PAC endorsed, financial contribution
Laurie Lickley — House member; Laurie was a House member who ran for an open Senate seat. IDI PAC endorsed, financial contribution and IE.
Jim Guthrie — Incumbent, IDI PAC endorsed, financial contribution, IE
Julie Van Orden — Former House member who served the entire 2021 session as Senator Bair’s substitute. IDI PAC endorsed and financial contribution.
David Lent — Incumbent, IDI PAC endorsed
Mark Harris — Incumbent, IDI PAC endorsed, financial contribution, IE

Senate Races We Lost

For Senate primary races, only 42.86% of our endorsed candidates won, with all but 3 of the races we lost being in northern Idaho.
Jim Woodward — Incumbent, IDI PAC endorsed and financial contribution
Tara Malek — First campaign; was running for an open seat. IDI PAC endorsed, financial contribution.
Robert Blair — Was appointed in 2020 by Governor Little to an open seat. IDI PAC endorsed, financial contribution.
Carl Crabtree — Incumbent, IDI PAC endorsed, financial contribution
Terry Gestrin — Terry was a House member but due to redistricting he ran for an open Senate seat – Incumbent, IDI PAC endorsed, financial contribution.
Greg Chaney — Greg was a House member who ran for an open Senate seat, IDI PAC endorsed
Jeff Agenbroad — Incumbent, IDI PAC endorsed
Jim Patrick — Incumbent, IDI PAC endorsed, financial contribution, IE

House Races We Won

Lori McCann — Incumbent, IDI PAC endorsed, financial contribution
Matt Bundy — Incumbent, IDI PAC endorsed, financial contribution
Mike Moyle — Incumbent, IDI PAC endorsed, financial contribution
Jeff Ehlers — New, IDI PAC endorsed, financial contribution
John VanderWoude — Incumbent, IDI PAC endorsed, financial contribution
Melissa Durrant — New, IDI PAC endorsed, financial contribution, IE
Chenele Dixon — New, IDI PAC endorsed, financial contribution, IE
Greg Lanting — New, IDI PAC endorsed
Jack Nelson — New, IDI PAC endorsed, financial contribution, IE
Jerald Raymond — Former House Member — IDI PAC endorsed, financial contribution, IE
Ron Furniss — Incumbent — IDI PAC endorsed, IE
Brit Raybould — Former House Member — IDI PAC endorsed, financial contribution and IE
Josh Wheeler — New, IDI PAC endorsed, financial contribution, IE

House Races We Lost

Jim Addis — Incumbent, IDI PAC endorsed
Ryan Kerby — Incumbent, IDI PAC endorsed
Scott Workman — New, Dairy producer in eastern Idaho — IDI PAC endorsed, financial contribution.

All of us should be incredibly proud of the success of our young PAC. What do the numbers of the primary tell us? The numbers emphasize just how important the Idaho Republican Primary is.

In the Senate

In the November general election, 22 out of the 35 senate seats are unopposed. We classify 6 of the remaining seats as “no contest” from the remaining 13 seats. By that we mean the outcome is pretty much already determined. There are some districts that will never elect a Democrat. The inverse is also true that there are some districts, think north Boise, that will never elect a Republican.

If our assumption above is true then there are really only 7 true contested seats in the Senate. Of the Republican Primary winners, 12 are “New” and 8 are former House members or served previously in the Senate. There will now be a certain 57% turnover in the Senate through retirements and last month’s results.

*For House primary races,
81.25% of our endorsed
candidates WON!*

In the House

In the November general elections, 39 out of the 70 house seats are unopposed. We classify 22 of the remaining 31 seats as “no contest” for the same reasons explained above.

If our assumption above is true then there are really only 9 true contested seats in the House. Of the Republican Primary winners, 29 are “New” and 3 are former House members. There will now be a certain 46% turnover in the House through retirements, members running for the Senate, and last month’s results.

Although the majority of the future 2023 – 2024 legislative body is already determined, there are races in the fall we will be recommending we are engaged in.

Those we will be recommending are listed first, but the final decision is for the board. If you don’t see your candidate on the list that’s a good thing, they are already running unopposed.

District 15 — Senate — Codi Galloway (R) vs Rick Just (D)

District 19 — House — Chris Mathias (D) vs James Fassau (R)

District 26 — Senate — Laurie Lickley (R) vs Ron Taylor (D)

District 26 — House Seat A — Ned Burns (D) vs Mike Pohanka (R)

District 26 — House Seat B — Jack Nelson (R) vs Karma Fitzgerald (D)

Please contact us with any questions.



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CAFO Improvement Fund Details

IDA CONSULTING SERVICES

Tanya Hibler

The CAFO Improvement Fund is well under way and the committee has hit the ground running. The \$5 million dollar fund was created in the 2022 legislative session to improve CAFO operations and help meet their manure and nutrient management goals. Legislative intent was to have the fund managed to meet industry needs and representatives appointed by industry make up four of the seven committee members. The committee members are Dr. April Leytem and Tanya Hibler appointed by Idaho Dairymen's Association, Megan Satterwhite and Valene Lickley appointed by the Idaho Cattleman's Association, Mary Ann Nelson from the Idaho Department of Environmental Quality, Mitch Vermeer from the Idaho State Department of Agriculture, and Zachary Kayler from the University of Idaho. The committee of seven is responsible for creating project priorities, rank of applications, and distribution of the funds to approved projects. The committee has met and is preparing for the application period.

The CAFO Improvement Fund will cover 60% of the project, with the applicant being responsible for the remaining 40%. NRCS has other opportunities for cost share and could also be used as the applicant's 40% share. The funds will be capped at \$1 million for a single project. Funds will be distributed by reimbursement of receipts following project completion. In cases where applicable, monitoring project success will be required. As an example, this could simply be collecting manure/lagoon water samples before and after project implementation to demonstrate an improvement in solids separation. It should be noted that one application criterion is applicants are willing to share their project successes with others by means of public outreach (i.e., an article in IDA's or ICA's newsletter, hosting a field day, or presenting at a local event).



The 60-day application period opens July 1st, 2022 and closes August 30th, 2022. IDEQ will house the application materials on their website and a link to the materials will be sent out as soon as it has been established. IDA will both mail and email all dairymen with the link so application can be made.

A webinar will be hosted on July 19th, 2022 at 1pm to discuss the application requirements/process and to help answer any questions. The committee hopes dairymen will have a chance to review application materials prior to the webinar so they can come prepared with questions or challenges.

The fund is focused on improvements to soils, water, and air quality and any projects under those areas will be considered. However, projects focusing on manure and nutrient management will be given priority. A non-exhaustive list of possible projects is below.

Potential Improvements

- Mechanical separators
- Gravity separators
- Vermi-filtration separators
- Concrete reception pits
- Sand settling lanes
- Buildings for separation equipment
- Pumps and pipelines for further distribution
- New lagoon construction
- Settling cells
- Lagoon lining
- Liquid manure injectors
- Compost turners
- Flow meters



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Potential Peak in Milk Production in the EU?

The impact that has on dairy farmers here in the U.S.

STONE X FINANCIAL

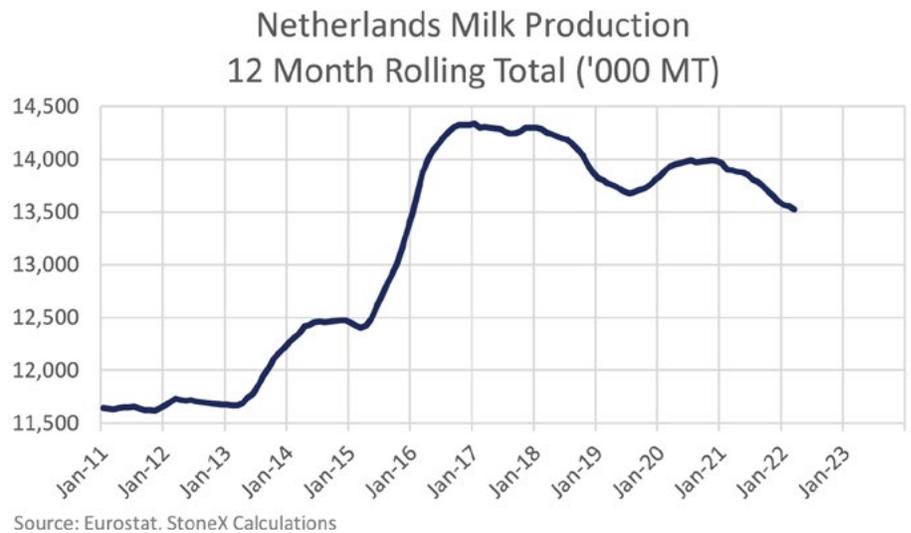
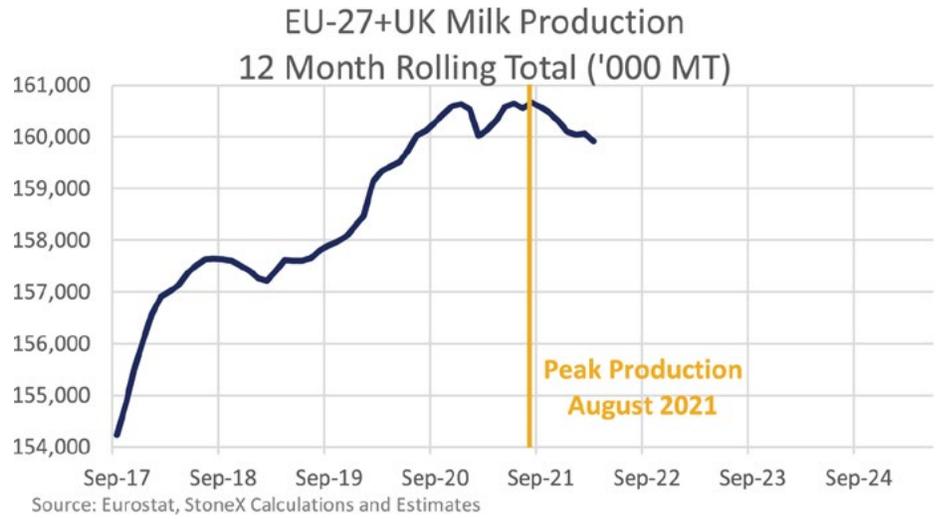
Dustin Winston

When it comes to the world's largest milk producer any news is impactful to the milk price that we receive here in the U.S. So, when StoneX attendees at last month's Eucolait conference heard speakers say that the EU has reached their all-time peak in milk production we took notice.

In fact while there may be many reasons that we could point to as to why milk prices are as high as they have been (inflation, delays in the supply chain, increased input prices) a large factor is without a doubt the tightening of milk production in the EU helping to lower the global supply.

According to our models here at StoneX (created by Director – Dairy Market Insight, Nate Donnay) there is a natural relationship between increased prices and the incentive for dairy producers to increase milk production. To that end our models suggest that high milk prices and relatively decent margins should result in growth over the next two years. That said we don't expect EU milk production to reach a new high until 2024. So, the question is will milk production continue to run below peak levels in August 2021 or will they follow our models?

As many people in the industry have been talking about EU milk production reaching its peak, let us talk about the reasons why that might be the case. Participants in the conference mentioned earlier cited environmental restrictions being drafted and high feed costs as their reasons for pessimism about the chances of milk production to grow moving forward. As I mentioned normally high milk prices incentivize producers to expand production, but we are hearing that in the EU there may not be a price that would get producers to expand anymore, no matter how high it is. For example, look at the Netherlands. Tighter environmental restrictions went into place in 2017 to reduce phosphate and nitrogen emissions from agriculture. Farmers were required to reduce herd sizes back in 2015, and farmers were rewarded if they reduced their herd by more than the required amount. As a result, some farmers moved/outsourced their heifer/dry cow operations to other countries. Since these restrictions were put into place there is still some milk price/margin sensitivity from Dutch farmers, but milk production has been falling since that time. This decline likely has to do with the environmental restrictions put into place but is also due to rising feed costs.



Most of the weakness in EU milk production has been concentrated in the big 4 milk producers, Germany, France, UK and the Netherlands. Production for this group peaked in May 2016 and is down 2.7% (-2,300,000 MT) since then. Production for all other EU-27+UK countries is up 10.4% (+7,000,000 MT) since then.

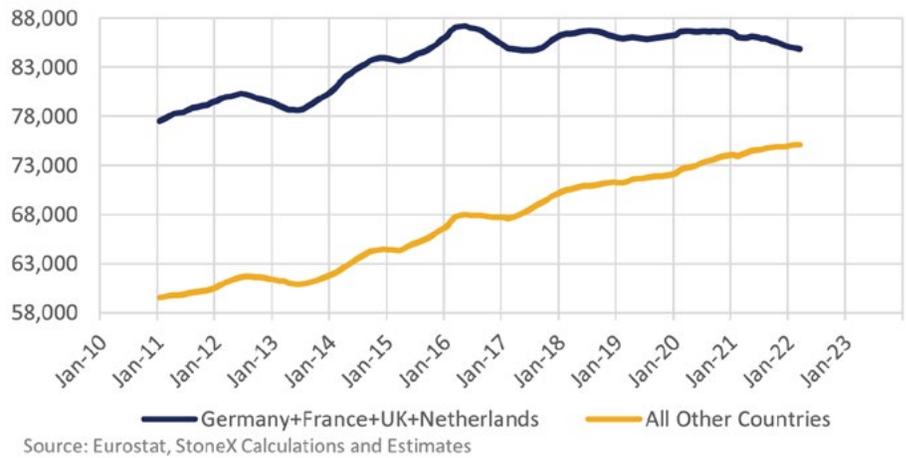
A counterpoint to those pointing towards impending environmental regulations as the reason for decline in Germany and France, is why are we seeing growth in production of other countries that are facing similar impending regulations? Another analyst on our team, John Lancaster from the Dublin Ireland office of our sister company, StoneX Financial Ltd., has a sound

rationale as to the reason. Production is effectively shifting from high-cost areas to lower cost areas of the region. So, we may not be able to blame all of the weakness in milk production across the biggest producing countries on impending environmental regulations and current high feed costs, there may be some structural differences in the cost of production that are playing into the dynamic as well. To be fair, growth in these other countries has slowed over the past six months, but we can probably blame at least some of that on feed costs. But milk prices are also increasing quickly, and it looks like they are going to stay high for a long time. Farmers who were considering exiting should be looking at positive cash flow in coming months. That could slow the declines (or maybe even drive some mild growth?) in the big 4 countries that have been trending down into place but is also due to rising feed costs..

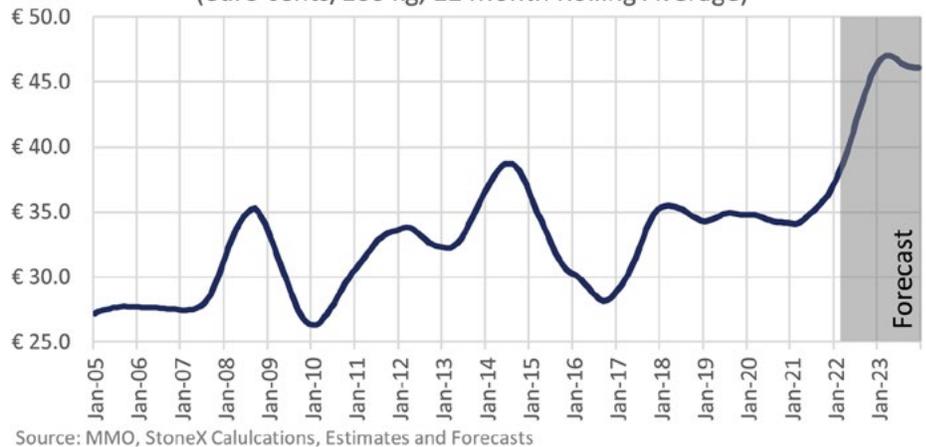
Our guess is milk production is going to remain weak through this year with production just barely getting back above last year in the second half. But as farmers feel more flush and have more confidence that prices are going to hold for a while, we could be surprised by the growth at some point in 2023. That said environmental regulations at these levels are going to change the landscape, and thus far there isn't a lot of data to consider as to the complete impact that they will have. Our takeaway, environmental regulations is something that the U.S. industry is currently evaluating and will likely be something that the global dairy industry will have to account for moving

forward. The result of these regulations can vary in their impact on production so the industry will need to consider these impacts in order to balance environmental sustainability with continued production to ensure financial sustainability and a stable food supply able to meet demand.

EU-27+UK Milk Production Trends ('000 MT)



EU-27 Weighted Average Milk Price (euro cents/100 kg, 12 Month Rolling Average)





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Carbon Accounting

Dairy Management Team

DAIRY MANAGEMENT INC.

Carbon Accounting 101

There is growing buzz about carbon markets and the opportunities they present for dairy farmers to potentially make a profit through on-farm sustainability practices. These markets are somewhat complex and ideas are still emerging, so gaining a deeper understanding requires unpacking details and following the evolution. Over a series of articles in this newsletter, the Innovation Center for U.S. Dairy will provide a background on carbon accounting, credits and markets, and considerations for dairy.

Carbon accounting describes how companies and businesses quantify their greenhouse gas (GHG) emissions to identify their climate impact and set emissions reduction goals. It divides GHG emissions into scopes 1, 2 and 3:

Scope 1

Direct emissions from owned or controlled sources, for example, what takes place within your own facilities.

Scope 2

Indirect emissions occurring elsewhere associated with purchasing power, heat, steam or cooling.

Scope 3

Indirect emissions that occur elsewhere in the value chain, including upstream and downstream emissions. This includes all the upstream emissions that occurred before the company had operational control over a process or product. For a cheese manufacturer, this would include GHG emissions to create the milk that the company purchased.

To better illustrate the differences, let's look at a few examples, keeping in mind that what is scope 1 for one business may be scope 3 for another – it all depends on where you sit.

From a dairy farm's perspective, emissions resulting from natural gas produced on that farm are considered its scope 1 emissions because they are produced directly on-site. That same farm may also have scope 2 emissions to consider if they rely on electricity produced off-site – the farm may have operational control over whether the power is switched on or off, but the actual emissions are released elsewhere through the production and delivery of the electricity. If that farm doesn't grow its own feed, emissions resulting from producing the feed it purchases would be scope 3 for that farm.

For a different lens, consider a cheese manufacturer. Emissions created within the processor's plant (e.g. from the energy, refrigerants, etc.) would be within the processor's scope 1 emissions. The company's scope 3 upstream emissions include all GHG emissions used to create the milk the company purchased, including emissions that occurred before the company had operational control over the process or product. The emissions that were scope 1 for the dairy farm above would be scope 3 for the processor receiving that farm's milk. That same cheese manufacturer would also have to consider scope 3 downstream emissions that occur after the products leave the plant, such as those at the grocery store or when consumers dispose of the packaging.

Carbon Credits and Markets

If organizations or companies want to reduce GHG emissions but cannot do so within their own operations or supply chain, how can they still take action? To understand that, we first need to define a few terms. A carbon credit is the certificate or permit representing the right to emit a set amount of carbon dioxide or the equivalent amount of another greenhouse gas. A carbon offset describes the process of using carbon credits generated outside of a company's supply chain to compensate for that company's emissions. A carbon inset refers to the process of using carbon credits generated inside the company supply chain to compensate for that company's emissions by avoiding, reducing or sequestering emissions either upstream or downstream within its own value chain.

A carbon offset credit is generated when an entity such as a farm engages in a project that helps reduce, remove or avoid one tonne of carbon dioxide (CO₂) equivalence. Each time a project is verified to have reduced, removed or avoided one metric tonne of CO₂ equivalence, one carbon offset credit is created. That offset credit is certified for trade in carbon markets. The number of credits generated is determined by using statistical modeling prescribed by the protocol of a carbon credit registry, typically a nonprofit or government agency, with significant public input and scientific review. Examples of these registries include the American Carbon Registry and Climate Action Reserve. The carbon registry issues unique numbered credits for each tonne of carbon dioxide equivalence which can then be sold on the open market.

A carbon market facilitates the trading of carbon offset credits between entities. Carbon markets exist because companies are voluntarily seeking to meet aggressive GHG reductions or companies need to meet specific reductions due to regulation. As more and more companies seek to green their portfolios and meet ambitious climate commitments, many are looking for climate solutions. Companies or private individuals can purchase credits to offset their carbon footprint.

Two types of carbon markets exist: voluntary and compliance markets.

Voluntary markets are driven by a company's environmental goals. In these markets, nonregulated organizations such as retailers or food companies are seeking to offset emissions voluntarily, often to help achieve their own sustainability goals. Often, buyers want offset credits that have a connection to their business or industries. For example, a company that sells yogurt or ice cream may prefer buying offset credits produced by dairies in their region. Voluntary markets include Verra and the Gold Standard.

Compliance markets occur when the demand for carbon offsets is driven by regulation. In these markets, a regulating group or agency sets a cap limit for carbon emissions and issues permits. The regulated company or industry must figure out how to scale back emissions so that the number of pollution units released is less than or equal to the number of permits. Compliance markets include the Regional Greenhouse Gas Initiative and the California Air Resources Board's cap-and-trade system.

Although agriculture has historically not played a significant role in carbon markets, opportunities are growing. As carbon markets expand, more agricultural climate-smart activities will be leveraged for carbon offset credits. In the next installment of this series, we'll explore what carbon accounting means and the opportunities it presents for U.S. dairy.

If you have any questions, please reach out to Annie Kramer, annie.kramer@dairy.org

The Innovation Center for U.S. Dairy[®] is a forum that brings together the dairy community to address the changing needs and expectations of consumers through a framework of shared best practices and accountability. Initiated in 2008 by dairy farmers through the dairy checkoff, we collaborate on efforts that are important both to us and our valued customers in areas like animal care, food safety, nutrition and health, the environment and community contributions. Through the Innovation Center, the U.S. dairy community demonstrates its commitment to continuous improvement from farm to table, striving to ensure a socially responsible and economically viable dairy community.

Please contact Annie Kramer at annie.kramer@dairy.org if you have any questions!







APPRECIATION FOR AGRICULTURE

More Than Business

PAYNEWEST INSURANCE

Daniel Golightly

So many people shop the dairy aisle of their grocery store on autopilot. Daniel Golightly does not. He always pauses to admire the broad selection of milk, yogurt and cheese that provides nutrition to his family and so many around the world with a deep appreciation for the people and ingenuity that got it there. Daniel has worked with dairy farmers throughout the Southwest United States for the last 10 years. Recently, he moved north to Idaho, where his grandparents once farmed, to join the PayneWest Insurance Agribusiness team.

“I have a great desire to reciprocate and give back to an industry that is largely underappreciated,” said Golightly. “It’s so easy to go down the aisle and fill up your cart with all the amazing dairy products we have on hand today, but the average person has no idea of all the effort, 24-hour days, 365 days a year, that goes into producing the products we demand as a society.”

Golightly is excited to work with Idaho dairy producers who are meeting that demand and contribute to the innovation and advancements coming out of the state.

“I have a passion for working with family-owned businesses, which make up 90% of our country’s dairy operations today,” added Golightly. “The legacy, passion and generational knowledge they bring to their family-run operations is admirable, and I want to do everything I can to help them succeed.”

In almost any other industry, business and personal are separate, Golightly explains. “When you live on the dairy, you live at your business, and that requires a unique business and insurance plan suited to the family and industry risks.”

Golightly has a knack for understanding how the small things make a difference in the success of a dairy operation, from hay practices to safety planning. Over the last decade he has had significant experience working with dairy claims and knows where the risks are and how to tailor a plan that both mitigates risk and helps provide a clear path to future success. Some risks such as weather events are unavoidable, but with a plan in place, Golightly says, the financial burden can be greatly reduced.

Golightly also recognizes that staying on top of industry trends and changes is vital for future success. “The resources provided by the PayneWest team are unmatched,” Golightly said.

“When you live on the dairy, you live at your business, and that requires a unique business and insurance plan suited to the family and industry risks.”

“The Agribusiness team is at the forefront of information and technology. We aim to stay ahead of what changes are coming to the industry, such as legal and regulatory, and work with our clients to provide guidance so that they can get ahead and plan accordingly. This approach and working with people who genuinely care about agriculture and farmers who literally feed the world is what attracted me to join the PayneWest team.”

Golightly looks forward to working with dairy producers across the state. He has experience working with small to large-size operations and has successfully helped farmers control overhead and adapt the “microdetails” to grow a brighter future.

With four children, ages 9, 11, 14 and 16, Golightly and his wife are active in their community and faith, love the outdoors and can be seen on the mountain bike circuit. When not applying his analytical or trail riding skills, Golightly may be tapping his artistic side and his love for creating typography for mural-sized artwork.



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FARM Progress Update

NATIONAL MILK PRODUCERS FEDERATION

Theresa Sweeney

Progress Continues on FARM Animal Care Version 5

The governance committees of the National Dairy Farmers Assuring Responsible Management (FARM) Program continue to make meaningful progress on updates to Version 5 of the Animal Care program.

The FARM Animal Care Task Force, comprised of dairy farmers, veterinarians, dairy welfare academics, and cooperative and processor staff have met over a dozen times during the past year to review existing standards, survey results and other sources of feedback to inform recommendations to improve the program.

Thus far, task force meetings have highlighted the need to further refine guidance to the various animal observations conducted during an on-farm evaluation. A continued focus on pain management has also been extensively discussed.

The task force will present their recommendations for modifications to the program to the NMPF Animal Health and Well-Being Committee later this summer. Once approved, the revisions will be put forward for a public comment period beginning after Labor Day that will be open through the end of October. A final proposal from the Committee will be presented to the NMPF Board of Directors in March 2023, and the new program will be implemented starting July 2024.

The FARM Program will be hosting several industry-wide town halls to provide updates and answer questions related to Version 5 development. The next town hall will be Thursday, June 30.

To register, please visit: https://us02web.zoom.us/webinar/register/WN_vaLfwDNxRKmVOdhEHwYjvg



FARM Environmental Stewardship Updates GHG Model, Adds Resources

NMPF and the Innovation Center for U.S. Dairy are collaborating to update the greenhouse gas (GHG) model that powers FARM Environmental Stewardship (ES). With the launch of FARM ES Version 3.0 in 2024, the program will transition to a “process-based” model through work with RuFaS – an initiative involving researchers from across the country focused on environmental modeling of dairy farms. Shifting to a process-based model offers several benefits for addressing customer requests while offering more insights to farmers and FARM Program participants:

- A more robust and accurate model, while remaining practical and easy to use
- Farm-level environmental and economic insights through scenario analyses to support informed decision-making about the adoption of practices and technologies
- Increased functions to enable farmers, cooperatives, and processors to work with supply chain customers interested in investing in on-farm interventions and GHG reductions

Through this upgrade, FARM ES will be positioned to better support the dairy community’s efforts to achieve its 2050 environmental stewardship goals, including to become GHG neutral or better. Stakeholder engagement and feedback will be widely solicited throughout the next couple of years.

FARM ES also unveiled new GHG fact sheets that are now available on the [FARM website](#). This first set of fact sheets reviews GHG emissions generally as well as emissions and opportunities for reduction in the areas of feed production, energy use and enteric emissions. The fact sheets are a valuable educational resource for FARM evaluators and dairy farmers interested in learning more about on-farm emissions.



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Dairy Care and Management

Jodi Reed

AGPROFESSIONALS

Cleaning on the Dairy

Spring is here, which means it is time for dairy operators to start thinking about their “spring cleaning” practices. Between managing spring rains and runoff, planting, and the beginning of land application, spring can feel overwhelming and like there is too much to be done in too little time. This busy season can sometimes disrupt basic cleanup processes that are necessary to pass annual state or county inspections. AGPROfessionals has three tips that can jumpstart your “spring cleaning” and ensure that your facility is operating smoothly, cleanly, and can help to relieve some of the stress that can accompany state or county inspections.

Inspect Regularly

Diligently inspecting the manure management systems prior to starting land application could help prevent equipment malfunctions, unwanted runoff, and excess ponding water. These include manure hauling equipment, pumps, ponds, settling basins, etc. Taking the time to inspect and calibrate equipment can help to be intentional with land application, which can make a significant difference when it comes to crop outcome, soil sample results, and records as required by the NMP. Other equipment to be mindful of inspecting and calibrating includes pivots, pumps, spreaders, and agitators. Noticing, documenting, and acting on any leaks or plugs can prevent ponding water, further equipment malfunction or worse; cause an offsite discharge of manure. Maintaining the ponds, settling basins, and reducing vegetation on the banks can minimize root erosion on the banks. In addition, inspecting areas where water could potentially run off the land application fields and repairing berms or vegetative filters can prevent unwanted runoff from these applied locations.

Water Management

Operating within the facility’s NMP ensures that the best practices are always being implemented. Pumping down the ponds once the fields are ready to take the manure water provides the required storage in the ponds for spring storm events. Having sufficient storage helps to maintain compliance with the NMP and prevents potential overtopping or splashing over. Runoff from permanent manure storage areas, corrals, silage, and corn feed storage is required to flow to a lined pond. It is never too early to start planning feed storage for the fall to make sure that the silage areas flow into a lined pond.

Being a Good Neighbor

Being a good neighbor and having a positive and friendly relationship with community members and surrounding property owners can help to minimize complaints revolving around dairy practices. Consideration of neighbors when stockpiling manure and being mindful of prevailing winds are simple ways to be neighborly. When spring showers roll around, notice areas of pooling, and consider grading these areas to mitigate the pooling. This will offer added curb appeal, especially at the dairy entrance; your neighbors will appreciate the effort. To go the extra mile, invite neighbors over for a spring barbecue or offer them a tour of the facility. Building these relationships will be beneficial and lead to a reduced number of neighbor complaints. Ultimately, getting to know your neighbors can offer opportunities for collaboration on feed sources and future expansion. Implementing good housekeeping techniques now can reduce time, effort, and resources later. By implementing some key practices, dairies can reduce unwanted attention from neighbors and help ensure a smooth annual state inspection. AGPROfessionals is ready and available for any questions about nutrient management planning, liner testing, inspections, or recordkeeping for your facility.



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Chobani Commits \$1 Million to Idaho CAFE

Carly Schoepflin

UNIVERSITY OF IDAHO

Chobani Founder and CEO Hamdi Ulukaya expects the state's dairy industry will soon have a major edge when it comes to finding top talent and meeting the lofty challenge of improving sustainability.

During a ceremony on May 11 at the company's local food processing plant, Chobani awarded a \$1 million gift to the University of Idaho-led Center for Agriculture, Food and the Environment (Idaho CAFE).

As Chobani prepares to significantly ramp up its local production, Ulukaya is certain Idaho CAFE will play a critical role in helping his plant fill a host of jobs, including at the Ph.D. level, while also generating unique research to help the dairy industry achieve greater production with fewer inputs.

Idaho CAFE is scheduled for a June 30 groundbreaking and will span three counties with a 2,000-cow research dairy and 640-acre demonstration farm in Rupert, a public outreach and education center in Jerome and collaborative food science efforts developed in partnership with the College of Southern Idaho in Twin Falls. Idaho CAFE will be the nation's largest research dairy, conducting research and delivering education that will support a sustainable future for Idaho's dairies, livestock operations, crop production and food processing industries.

"The most important help we need is educated young Idahoans, either people from here or people who come to our state and are educated in our state schools and would love to stay here and live and build a life here," Ulukaya said. "We all have to come together to make sure that this talent, this young talent, stays in this beautiful place."

Ulukaya believes Idaho CAFE will be a monument to food production in the Magic Valley, enabling the region's food makers to implement better and more sustainable practices and helping them lead the country through their innovation.

Idaho Gov. Brad Little added, "I believe this is literally going to catapult us to the next area of greatness as far as agriculture in the Magic Valley."

Research at Idaho CAFE will focus on areas such as nutrient management, water management and the intersection between the state's agricultural and urban land.

Chobani has long been a supporter of U of I's College of Agricultural and Life Sciences, including through scholarships benefitting its dairy science students.



"With nearly 20% of Idaho's total economic output, the agricultural industry clearly influences the health of our state's economy, and I firmly believe that what's good for Idaho agriculture is good for Idaho," CALS Dean Michael Parrella said. "For that reason we are tremendously thankful for Chobani's investment in moving us closer to the finish line for constructing the research dairy and getting to work conducting research that is critically important for Idaho's dairy producers."

The facility will provide the state's dairymen with solutions to help industry meet ever-growing demands to conserve precious resources and minimize their environmental impact.

"It's going to be the difference maker for our dairymen to be able to accomplish these goals and to be able to have something to pass on to the next generation," Idaho Dairymen's Association CEO Rick Naerebout said.

The facility will tackle many research questions that have never previously been explored. It will operate like a commercial farm and is designed to represent the average dairy in southern Idaho. The initial construction phase of the \$22.5 million project includes facilities to house milking and nutrient management operations. U of I aim to start milking cows in the Rupert location after the first phase is completed in 2023.

"Building the nation's largest research dairy has been a goal of the university for well over 12 years, and frankly we are the third largest milk-producing state in the country, so it's important that we support sustainable agriculture across all of Idaho," U of I President Scott Green said.



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Health and Safety Training Matters

UNIVERSITY OF TEXAS, SCHOOL OF PUBLIC HEALTH

Anabel Rodriguez

How often do you offer health and safety training to your farm employees? Do you train your new farm employees? Do you train your seasoned farm employees? If the answers are no to any of these questions, keep reading. If the answers to these questions are some yes or all yes, great work, but also keep reading. I have some quick and easy training tips and examples of successful training programs you can use to create a positive safety culture on your farm.

In 2020, the United States (U.S.) Agriculture, Forestry, and Fishing (AgFF) ranked among the most dangerous industrial sectors with a rate of 4.6 nonfatal occupational injuries and illnesses per 100 full-time equivalent (FTE) workers and 21.5 fatal work injuries per 100,000 FTE workers (compared to the Transportation and Warehousing rate of 13.4 fatal worker injuries per 100,000 FTE workers and the Construction rate of 10.2 fatal worker injuries per 100,000 FTE workers). In particular, there were 5,200 recordable nonfatal injuries and 28 worker fatalities reported on dairy farms with more than 11 employees in 2020. Similar to other U.S. agricultural businesses, dairy farms employ workers who are predominantly immigrant, Hispanic males, of approximately 30 to 35 years of age. In addition, almost 60% of dairy farm workers speak little to no English and have, at most, a middle school level education. This means that communication on dairy farms has changed significantly from mom-and-pop dairy farm days. This presents a safety challenge.

Effective worker safety training is one way to reduce safety incidents on the farm. Safety training is necessary to educate workers on workplace safety hazard identification and injury prevention among workers. This is equally important for both new employees as well as experienced employees. On average, dairy workers have about 7 years of experience working on dairy farms in the U.S.—given a wide range with some having just a few days of experience on the farm to others having more than 50 years of experience. Our research team at UTHealth School of Public Health assessed the effectiveness of safety training using iPad tablets as a personal learning environment. A total of 1,432 dairy farm workers recruited from 40 farms in the states of New Mexico, Texas, Colorado, Kansas, and New York were trained between March of 2015 and August 2016. All workers were trained on private, family-owned dairy operations. Safety training was offered in both English and Spanish beginning with a short pre-test, followed by a training video, then a post-test, and ending with the presentation of a personalized certificate. On average, dairy workers scored a 74.2% (out of 100%) on the pre-test, but increased their score to a 92.4% on the post-test after watching the training video. We were also able to capture reactions from farm leadership, with one producer stating:

“The feedback I got from workers was very positive. They really liked the format and the ease of using the iPad to do the training. The feedback I got from the management team was that it is a good tool for new hire training and refresher training.”

We also received direct feedback from workers after they completed our training. Here are some of the most memorable statements (translated from Spanish to English):

“I get frustrated when I cannot move cows a certain way. After this training, I can stop, think, and move them the right way.”

“I learned that there should be no passengers inside or outside the tractor; I didn’t know that before.”

“I learned that we need to be very careful next to electrical boxes because they can cause accidents.”

“I learned that chemicals can be dangerous and that we need to wear gloves and other personal protective equipment.”

“To be careful with the manure lagoon because they are dangerous. We shouldn’t get in or get too close.”

In summary, safety training matters. It matters for you, your farm, and your employees. The overall goal is to provide a safe working environment for your employees so they can be productive, but most importantly, go home at the end of the day safe and healthy and back to their families.

Tips and Resources for Effective Safety Training

Make sure your safety trainings are

- Available in English, Spanish and/or another language primarily spoken by your employees (for example Guatemalan K’iche’)
- Narrated (audio available for potentially illiterate workers)
Short and clear (adult learning attention span is 10 minutes)
- Frequent safety huddles (short, frequent, and repeated safety talks reinforce the message)
- Provided for new hires and current employees, despite their years of experience.
- When possible, evaluate your training effectiveness (quick on-the-spot quizzes can be enough for active participation and gauging effectiveness of safety talk)

Safety training is not a one-and-done, check-the-box requirement. Safety training is an on-going experience that should be weaved into daily farm tasks.

Check out our [Dairy Farm Safety page](#).

“This training was a great experience. I loved the videos! They caught my attention because they are in my native language. I can follow and understand what is happening.”



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Upcoming Events

July 1st

CAFO Improvement Fund Application period opens

July 19th

Informational Webinar for CAFO Improvement Fund at 1:00 pm

July 27th - 28th

IDA/IDEAL/Dairy West - Salt Lake City, UT

August 10th - 12th

IMPA Conference - Sun Valley, ID

August 30th

CAFO Improvement Fund Application period closes